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ABSTRACT

Labor force participation rates, pay inequities, occupational segregation, positions in the hierarchy, interactions between diverse groups, and organizational culture all demonstrate that diversity in the workplace has not been fully achieved. Existing approaches to supporting workplace diversity have not worked, and, in many cases, have resulted in new sets of problems or dilemmas. For example, the equal employment opportunity approach, although effective in increasing participation, has engendered a strong racial and gender backlash. Corporate efforts to increase sensitivity through inhouse programs have often aroused animosity rather than defusing it. Family-friendly policies offered by many organizations are often not widely used because women who use them are perceived as less serious employees. Therefore, it is necessary to develop a new perspective on how to incorporate diverse groups successfully. A new, more workable approach should be drawn from multiple disciplines--economics, psychology, sociology, anthropology, business, and law. A multilevel analysis must be developed that includes attention to individual, work group, organization, and societal factors. It is necessary to understand a variety of complex and relatively unanticipated problems: contradictions between intent and impact, resistance and backlash, and limited impact on organizational cultures. The goal is to reduce institutional and attitudinal barriers to diverse groups working together and to empower individuals and groups within a more favorable environment. (Contains 151 references.) (KC)

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WORKFORCE DIVERSITY:

STATUS, CONTROVERSIES, AND AN INTERDISCIPLINARY APPROACH

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Introduction

The management of diversity in the workforce is one of several key organizational concerns that have been widely articulated and addressed in recent years. Much has been written in both the popular press and academic literatures (e.g. Cox, 1993; Fernandez, 1993; Jackson, 1992; Jamison & O'Mara, 1991). Diversity has become a buzzword along with flexibility, reengineering, and downsizing. In this paper, we examine the reasons why the incorporation and retention of diverse groups in the workforce is an increasingly important topic yet one fraught with emerging complexities that require new strategies. We focus on the contributions the fields of psychology and economics, when considered together, can make to understanding these complexities.

Understanding ways diverse groups can work together effectively has become essential for several reasons. Most striking is the well-documented fact that net new entrants [1] to the U.S. labor force in coming years will be largely women, minorities, and immigrants (Johnson & Packard, 1987; Fullerton, 1991). Attention to this issue has also been driven by issues of equity/fairness along with the recognition that to increase productivity and maintain domestic and global competitiveness organizations must widen their pool of perspectives and sources of creative ideas (Cox, 1993; Jackson & Alvarez, 1992).

Promotion of diversity in the workplace is, however, complicated by countervailing forces rooted in history, economic and social trends, organizational traditions, and interpersonal dynamics. In spite of the current attention placed on the issue, many workplaces do not consider diversity a priority (Jackson, 1992; Blanton, 1994). Those organizations that have promoted diversity programs have encountered increased problems in maintaining

diversity throughout the workforce during recent years of downsizing and restructuring. As corporations have reorganized over the past decade to become more competitive, large numbers of middle and upper management jobs have been eliminated. Middle management jobs are slots that women and minorities have more recently moved into; they are their entree into upper level jobs. Women and minorities often leave larger corporations because of a "glass ceiling", which refers to the difficulty they have in attaining timely promotions into upper management positions (Deutsch, 1991; Trost, 1990). These structural changes have been compounded by the recession and slow growth years of the 1990s. Reallocation of financial resources has often resulted in a decrease in importance given to diversity programs in corporations (Blanton, 1994).

In addition, the rising hostility between groups in society at large is mirrored by increased workplace hostilities that often involve issues of race or gender. There have been distinct reactions to particular policies established to incorporate diverse groups. For example, in response to use of affirmative action programs, there have been charges of reverse discrimination. Similarly, there has been increased resentment and divisiveness as a result of mandatory in-house diversity programs (Egan, 1993)

In this paper, we point out that approaches to achieving a diverse workforce have come from several different disciplines, reflecting different ways of examining the problem. The varied analyses point to the need for intervention at different levels. We argue that the successful implementation of diversity programs has been constrained by the fact that there are a variety of sensitive, subtle, and often contradictory issues involved that are only now being recognized. These issues are largely obscured in both the

popular literature and in approaches that arise from any particular scholarly discipline taken in isolation.

Some of the most challenging dilemmas revolve around three main themes. First, assumptions underlying different approaches to supporting diversity are often contradictory. For example, the equal employment law approach to fostering diversity states everyone must be treated the same. However, most in-house approaches to managing diversity imply that different peoples may need to be treated differently (e.g., allowing flextime, family leave, etc.). Second, there have been numerous unintended and unexpected consequences of current approaches to supporting diversity. Not only have various forms of externally-imposed equal opportunity legislation resulted in resentment towards women and minorities and charges of reverse discrimination, but internally-imposed diversity programs have also caused substantial anger and hostile feelings towards the groups for whom they were designed to garner appreciation and support. Third, policy changes and other diversity initiatives have not resulted in changes in basic organizational values or practices. For example, the organizations where family-friendly policies have been established are not necessarily the same organizations that hire and promote more women into management positions.

We begin this paper by discussing what diversity involves and how it can be characterized. We elaborate on the increasing importance of incorporating different groups in the workforce and on the accompanying problems. We provide a three-dimensional overview of the status of diversity within organizations and the workforce: 1) data on the representation of women and minorities in the workforce; 2) a review of the nature of interactions between diverse groups in the workforce (including preferred type of workgroup,

perceptions of bias, and harassment); and 3) a report on the importance of organizational culture.

We then examine several prominent and distinctly different explanations for existing workplace inequities (in hiring, occupation, promotion, and pay) offered by the disciplines of economics and psychology. We outline the solutions proposed by each explanation and discuss the limitations of each for achieving greater representation and equality for groups that are currently in subordinate positions in the workplace. We more fully discuss recently emerging dilemmas (mentioned above) that pose significant and very difficult barriers to fostering a diverse workforce. We then draw on the collective insights of numerous disciplines to suggest that a resolution of the difficult issues may require a carefully-crafted combination of the approaches suggested by individual disciplines. Each alone will not succeed. A broader interdisciplinary approach is necessary - one that incorporates the insights offered by each discipline, tempered with the knowledge of limitations of each alone and the value of a synergistic melding.

Specifically, we suggest that a multi-level approach is needed. It would incorporate: an overall social structure or framework that promotes diversity; an organizational culture that values diversity; growing recognition by individuals of the importance of utilizing different types of workers; and an active group interaction in which diverse peoples work productively together. Both policy-oriented, top-down support as well as individually (or and team-focused educational and sensitivity activities are necessary. They interact synergistically. The use of skill-building or team-building approaches can be greatly facilitated within the context of an overarching policy framework (such as Equal Employment Opportunity legislation, EEO) that

presses for efforts toward alleviating discriminatory inequities in the workplace and in society. Similarly, the commitment generated by individually and team-oriented approaches can facilitate the attainment of EEO goals by encouraging mutual sensitivity and collaboration. When activities at both levels are conducted within an organizational culture that pays attention to differences and places a value on diversity, they have the greatest likelihood of success.

Support for Diversity: What does that mean?

Diversity is widely recognized to involve differences based on gender and race. It also includes differences based on ethnicity and regional origins (e.g., Spanish-speaking people from different countries have distinct cultures as do Asians and Blacks from different regions). Variations in class background, family structure, age, sexual orientation, and physical abilities also contribute to diversity.[2] When we refer to diversity in this paper, we recognize the myriad bases for difference. We have, however, focused much of our discussion (and the vast majority of our examples) on differences based on gender and race. We also recognize that racial and ethnic identities can be mixed, can vary over time, and can depend upon settings or context (Coughlin, 1993).[3]

The wide range of bases for difference contribute to the messiness of the workplace challenge. If we were talking about cultural differences that merely translated into different diets and holidays, organizations could adapt their calendars and menus relatively easily to accommodate the variations. However, organizations are faced with a diversity that means "differences in perspectives, life styles, attitudes, values, behaviors and thought patterns" (Jackson, 1992, p.21). For example, there is a vast literature that documents

the challenges presented by the different world views of men and women (e.g., Tannen, 1990; Gilligan, 1982), the varying communication styles of whites and African Americans (e.g., Kochman, 1981), and the diverse basic assumptions about life made by individuals from the US and Asia (e.g., Silka & Tip, in press; Sue & Morishima, 1982). There is also evidence that people in different positions (and people within the same position but of opposite genders and/or diverse ethnic groups) often experience the organization or the same event quite differently (Fine, Johnson, & Ryan, 1990; Tsui, Egan & O'Reilly, 1992; Jewson & Mason, 1986; Hamilton, 1992). The resulting challenge for organizations is to effectively utilize groups that differ with respect to basic assumptions about how individuals should approach the tasks and relationships involved in accomplishing their work.

In surveying the literature, we find that the notion of support for diversity in organizations is discussed in a variety of ways with many dimensions. Some authors distinguish among creating, understanding, managing, and valuing diversity (Jackson, 1992; Thomas, 1992). Others have created typologies of organizations based upon how deeply embedded the value for diversity is (Cox, 1993; Jackson, LaFasto, Schultz & Kelly, 1993).

Perhaps the most central distinction for our purposes is between <u>creating</u> a diverse workforce by bringing in new types of workers and <u>managing</u> the diversity once it has been introduced. While the two processes clearly present different challenges for the workplace, they are also inevitably connected in a number of ways. Clearly, if diversity is never introduced, there is no diversity to manage. In addition, the process by which diversity is generated has implications for how it must be managed. For example, if diversity has evolved gradually, managing the emerging relations will present

different challenges than if the diversity is the result of Equal Employment Opportunity Legislation (EEO) and Affirmative Action (AA) policies and/or a desire to obtain federal contracts (Jackson, 1992). The level at which the diversity has been introduced also has daily implications. An organization with all white managers and diverse line workers faces a different set of challenges than an organization where diversity has been introduced at the top levels. In addition, the length of time the organization has operated before introducing AA strategies has implications for how entrenched the current organizational culture might be and thus for how much resistance might emerge.

In this work, we define "support for diversity" in a multifaceted way. We include elements of both the creation and the management of diversity, and consider effective support for diversity to be evident in both the processes and the outcomes of organizational work. We define it to include 1) a structural component (the actual representation of diverse workers at different levels of the organization), 2) an interactional component (members of different groups working well together; the absence of harassment, hate crimes, and stereotyping), and 3) an organizational culture component (all people are seen as resources; "difference" is valued as a potential resource vs. seen as a problem or threat).

Diversity In Organizations: Why does it matter?

Diversity in organizations is an important issue for three reasons: 1) issues of equity/fairness, 2) the changed demography of net new entrants to the labor force, and 3) the need to maintain competitiveness.

For most of the three decades since the Civil Rights Act of 1964, the debate over diversity in organizations centered largely on the issues of fairness and equity - that people should not be discriminated against and

prevented access to jobs based on ascriptive characteristics such as race, religion, national origin, or gender. Issues of equity and fairness have been extended to encompass other aspects of difference such as sexual orientation, age, and disability status. The belief that a lack of diversity is simply unfair and unjust motivated many initial efforts.

However, more recently, diversity has also come to be considered by many as a strategic necessity for organizations. Several broad trends have made attention to workforce differences critical to effectively mobilizing a workforce in our changing economy (Jackson & Alvarez, 1992; Perry, 1993; Cox, 1993). First, the changing nature of the workforce is central to an increased focus on managing diversity because net increases in the labor force will be largely women, minorities, and immigrants. The dramatic changes in the composition of net entrants to the labor force (entrants minus leavers) was pointed out in the widely-cited Workforce 2000 (Johnson & Packer, 1987). This study projected that only 15% of the net new entrants to the labor force during the period 1985-2000 would be U.S.-born white males while the other 85% would be women, minorities and immigrants.

As shown in Table 1, updated projections for 1990-2005 indicate that 85.5% of net entrants to the labor force will be women, minorities and immigrants, with white non-Hispanic males comprising only 14.5% of the increase. Women will be 57% of the net increase in the labor force 1990-2005; minorities will be 53.7%. A more detailed breakdown indicates that 31.8% will be white, non-Hispanic women; 15.8% black men and women; 27.8% Hispanic males and females; 10.1% 'Asian and other' (Fullerton, 1991). As Table 2 indicates, it is projected that non-Hispanic white males will make up only 38.2% of the workforce by year 2005.

Insert Table 1 about here

Insert Table 2 about here

Other sources discuss changes in the numbers and composition of flows of immigrant workers. According to Martin (1991), the labor force in the U.S. grew by about 2 million a year in the 1980s, with at least one-fourth of this due to foreign workers. The variety within the immigrant population has increased as Asians from a range of countries have replaced the traditional European immigrants as the predominant group. In the 1950s Europeans were 52.7% of the immigrant flows into the U.S. whereas those originating in Asia were 6.1%. In the first half of the 1980s Europeans fell to 11% of immigrants and those from Asia rose to 47.4% (Borjas, 1990). (In both of these periods immigrants from the Americas were just under 40%, although they had risen to over 50% in the 1960s.)[4]

Changes in the nature of work and the structure of the economy also make it necessary that diverse peoples work well together. Many new business strategies, often adapted from other countries such as Japan or Sweden, involve more team-based approaches to work. Organizations are realizing that a focus on team work, employee participation, and empowerment can lead to a more efficient and innovative organization and thus to a sustainable competitive advantage. In addition, with the growth in the service economy, interpersonal interactions have become central and effective communication skills critical (Jackson & Alvarez, 1992). Much of this work requires that

employees interact with one another, with customers, and with suppliers. The importance of interpersonal relations has intensified the need for workers to be able to cope with diversity. Ironically, organizational attempts to ease tensions potentially created by differences between employees and customers have increased the challenges of managing relationships between co-workers. That is, as companies have recognized the importance of employing individuals similar to their often disparate customer base, they have increased the diversity within the organization. This, then, necessitates development of internal strategies for communicating across differences.

The importance of dealing with diversity is also emphasized by an increasingly global economy. Organizations that conduct business internationally have come to realize the necessity of cross-cultural sensitivity. New mergers and alliances spurred by the changing economy also require managing difference as diverse organizational cultures come together to forge new entities.

Some have argued that it is only through the development of corporate governance systems that facilitate diversity that organizations will be able to effectively mobilize human energy to meet their goals (Perry, 1993). Organizations that understand how to foster respect and good working relationships between diverse people can more fully develop workers' potential and can draw more widely on the available workforce. Creativity, problem solving, and innovation can be enhanced by pooling perspectives of people who are different in age, race, gender, ethnicity, sexual orientation, and class backgrounds. Sales and marketing are enhanced by organizational responsiveness and connection to clientele. Solid diversity management can reduce costs through lowering turnover and absenteeism (Cox & Blake, 1991). Organizations

can no longer afford to try to manage the differences away. Instead they are challenged to focus on harnessing the energy and new perspectives brought to the work by diverse peoples.

Where Are We Now? Diversity Status Report

Issues of Representation

Above we defined support for diversity to include three levels. The first component is a structural one which includes the extent to which diverse workers are represented throughout the workforce.

Over the past forty years women and minorities have made gains in the labor force. However, many significant disparities still exist. These inequities can be examined in terms of actual participation in the labor force, the wage gap, occupational segmentation, and hiring and promotion.

Women's labor force participation rate (LFPR)[5] has risen sharply since 1950, when it was just under 34%. By 1990 it was almost 58%, with the largest increases coming for women with children under 17. In contrast, the LFPR of men has fallen from about 87% to just under 77%.[6]

When data is analyzed by race and gender, we see that, although black women's LFPR used to be higher than that of white women, they converged by 1990. White women's LFPR rose from 34.5% in 1955 to 57.5% in 1990, whereas Black women's rose from 46.1 to 57.8%. In contrast, the drop for Black males was more dramatic than for white males. Black male LFPR fell from 85.0% in 1955 to 70.1% in 1990, whereas white males' LFPR fell from 85.4% to 76.9% (Blau & Ferber, 1992).

Although there has been a narrowing of the gap between the percentage of men and women working, women's participation is still substantially below that of men. This is chiefly because of home duties, most of which have been

traditionally defined as women's responsibility. This division of labor in the family has been perpetuated by the fact that, as shown below, women make less than men on average. Therefore, if only one family member in a male-female household works in the paid labor force, it will likely be the male.

There is also substantial inequality between the participation of white males and Black males in the workforce. This differential is thought to be due, in part, to the way high unemployment rates for Black males discourage many of them from even seeking employment (Blau & Ferber, 1992). However, in their study of low-skill, entry-level positions considered the likeliest job prospects for young Black men in Los Angeles and Detroit, Moss and Tilly have found that employers now seek employees with 'soft skills' (ability to communicate, work in teams, or relate with customers). Because Black men are perceived lacking in such skills, fewer Blacks are hired in companies that use face-to-face interviews. However, companies that hire using standardized tests rather than personal interviews have higher percentages of Black males, suggesting that racism rather than real skill differences may be at play. (Moss & Tilly, 1991b).[7]

In addition to these disparities, the women and minorities who are participating in the labor force are not garnering equal pay and are not participating in all occupations and at all levels of the hierarchy in proportion to their numbers in the labor force.

In terms of wages (the wage gap), the average earnings of women working full-time, year-round rose from 64% of that of men in 1955 to 71% in 1990, indicating that women still earn substantially less than men. This data does not reveal the fact that the wage gap between women and men declined in the 1980s (from 60% to 70.6%) largely because men's wages fell. Much of women's

'gain' was due to the decline in men's real earnings.[8] Although the wage gap between women and men is narrower in younger age groups, it continues to widen as people grow older (Blau & Ferber, 1992; Mahar, 1993).[9]

To provide further perspective on earnings disparities between the sexes, in 1990 the median income of women with a high school diploma (and no years of college) working year-round, full-time was $18,319. This was merely $925 more than the median for men who had attained only an elementary education. It was 68.7 % of the median for men with a comparable education ($26,653) (Blau & Ferber, 1992).[10] The problem of the earnings disparities between similarly educated men and women is compounded by the fact that women have consistently demonstrated superior academic performance relative to men in both high school and college (Koretz, 1992).

Substantial inequality in wages still exists between white men and others, although the ratios vary considerably. In examining changes in the wage gap by race and gender from 1955 to 1990, we find that although Black women (BW) made substantial gains relative to Black males (BM) and white women (WW), and although in the aggregate Black men made gains relative to white men, there are still substantial gaps between white men and the others (WW, BW, BM).[11] More troubling are the facts that a wage gap exists between Black and white males even when education levels are the same and that this gap has widened. In 1989, college-educated Black males made only 76.4% of that earned by white males with college degrees. ("Race, Sex", 1991). For the newest college graduates, Black men and white men aged 25-34, this earnings gap widened 1979-1989 ("Male College", 1991).[12]

Women and minorities have recently been able to move into a broader range of jobs including many professional and managerial positions (Richman,

1990; Blau & Ferber, 1992). Increased access to education and the reduction of barriers introduced by EEO and AA policies have meant that more people of color are in the workforce at various levels. However, the workforce continues to be substantially occupationally segregated by sex and often by race or ethnicity (Amott, 1993; Blau & Ferber, 1992; Tomaskovic-Devey, 1993).

The top two occupational categories for women, employing 45.5% of working women in 1989, were 'administrative support, including clerical' or 'service occupations.' In sharp contrast, the two chief occupations for men, employing 40.3%, were 'operators, fabricators, and laborers' and 'precision production, craft, and repair' - all tending to be higher paid jobs.

In addition, the major category in which white males and Black males were employed differed dramatically. In 1989, one-third Black males were working as manual laborers while 27.3% of white males were employed in managerial and professional positions ("Race, Sex", 1991).[13] Ironically, the public relations field itself has done very poorly in supporting diversity. Blacks hold 6% and Hispanics 2% of PR jobs. ("PRSA Faulted", 1994).

In addition to the fact that men and women are largely concentrated in different occupations, job segregation by gender and race has several other dimensions. When men and women <u>are</u> in the same general occupational category, men tend to be the higher paid people in the occupation (Blau & Ferber, 1992). For example, even in the female-dominated clerical category in 1990, males earned an average of $459 a week while women made $348 (9to5, 1992-93). Furthermore, within an occupational category, women tend to work in lower-paid industrial sectors and in lower wage firms (e.g., auto and steel are more male-oriented and higher paid than garments).

Segregation of jobs can vary across an occupation - e.g., waitpersons

tend to be either male or female within a particular establishment, not both (Bergmann, 1986; Blau & Ferber, 1992). Whether an occupation is dominated by male or female workers can vary across time and space, with lower pay associated with the job when it is largely female-dominated. For example, physicians in Russia are largely women, whereas in the U.S. they have been largely men. Physicians in Russia have substantially lower pay and status than in the U.S. Similarly, when typists and elementary schoolteachers were largely male jobs, the pay relative to other occupations was higher. In addition, Carrington and Troske (1993) argue that segregation is institutionalized in small firms, based on their research revealing that men and women rarely work together in small firms.

The contrasts between white males and others, categorized by race and gender, become starker in higher level occupations. Groups differing from the white male norm are not proportionally represented in positions of influence and power. A study of all companies reporting to the EEOC in 1992 reveals that, although the female share of managerial jobs has increased, women still hold less than one-third of such jobs (30.5% up from 21.7% in 1982, Sharpe, 1994a). A similar study in 1993 revealed that only 5.2% of managers were minorities of any race (Sharpe, 1993).[14] Furthermore, a 1994 study of the composition of the corporate boards of Fortune 500 companies found that: Blacks hold 2.3% of the seats (unchanged from a similar study in 1988); women hold 6.3% (up from 4% six years ago) (Pulley & Bailey, 1994).

These disparities have led scholars to describe the situation of women and minorities at the highest levels in terms of a 'glass ceiling'. Similarly, the preponderance of women and minorities in the lowest-level, low-paying jobs with little possibility for advancement has recently been discussed

in terms of a 'sticky floor'.[15]

Women encountering a glass ceiling often leave the organization, largely for other jobs they believe will have more upward mobility, but in some cases to establish their own businesses (Trost, 1990). During the 1980s, nonfarm businesses owned by women grew twice as fast as those owned by men (Gramm, 1994). (It is estimated that there are 5.5 to 7 million businesses owned by women in the U.S., about 30% of total businesses.). However, access to financial resources by minority-owned and women-owned businesses has been very limited. In 1993, Black business owners received only 3% of guaranteed Small Business Administration (SBA) loans; Hispanic entrepreneurs obtained 5%, and women only 14% - none in proportion to the groups' share of small businesses (Saddler, 1993).

The recent recession and subsequent period of slow growth have made things harder for women and minorities in the workplace in a number of ways. During the recession there have been major cut-backs in both the numbers of Blacks employed and their percent of the workforce. The Wall Street Journal (Sharpe, 1993) analyzed over 35,000 companies that file EEOC reports with the Federal Government and found that the percent of total employees who were Black fell during the 1990-1991 recession (July 1990-March 1991). This was the first time it fell since the recessions of the 1980-82 period. The decline eradicated three years of gains. Blacks held almost one-third of the blue-collar jobs that were lost, and were the only racial group to lose sales and service-worker jobs.[16]

Only scattered data is available regarding the effect on women. One source reports that the enrollment of women in executive training programs run by U.S. business schools declined to 5% in 1992 from a high of 8% in the

1980s, largely due to the impact of the recession (Fisher, 1992). Similarly, Dupont indicates that its percentage of women managers has remained low in spite of its considerable efforts to establish family-friendly policies partly because of severe cutbacks - e.g., senior management was cut by 50% (Sharpe, 1994a).

In summary, although gains have been made by women and minorities, serious patterns of inequality still remain. The gaps in labor force participation and wages between the sexes have narrowed, but remain substantial. What appeared to be gains in wages for women have been largely losses for men. In addition, although some gaps between minorities and white males became smaller, several increased (i.e., the LFPR gap widened between Black males and white males; the wage gaps widened between Hispanic men and white men as well as between Hispanic females and white women). The differences in opportunities and pay among workers exist at all levels, but are particularly acute at the higher levels of organizations. Thus the broad analysis of trends indicates that little progress has been made toward achieving the level of integration that would satisfy the first component of our definition of support for diversity.

Interactions Between Diverse Groups

The second component of our definition of support for diversity involves how well diverse peoples work together. Once people of opposite genders and different cultural and/or racial backgrounds are in the same work setting, how well do they get along? Do all people feel like valued members of the organization? What evidence is there of harassment and/or hate crimes in the workplace?

Preference for Homogeneous Groups. In spite of the social and economic pressures to incorporate a diverse workforce, there is a strong interpersonal press for homogeneity among work group members. Recent studies indicate that over half of all workers prefer to work with others who are "like them" with respect to such characteristics as age, gender, race, education, and status (Families and Work Institute, 1993; Shellenbarger, 1993b; Tajfel & Turner, 1986). Perhaps contrary to expectations, the younger generation has not adopted more favorable and flexible attitudes toward working with people who are different (Families and Work Institute, 1993; Shellenbarger, 1993b). It has also been well documented that hiring practices tend to reflect a "similar-to-me phenomenon" (Schneider, Taylor, Fleenor, Goldstein & Smith, 1993, p. 7; Cox, 1993).

People not only prefer to interact more often with members of their own social group than with members of other groups, but their attraction to careers and/or organizations appears to be based upon perceived similarity of personalities and interests (Holland, 1985; Tom, 1971). In addition, people who perceive that their approach, values, and style do not match the predominant organizational culture are more likely to leave (Chatman, 1989; O'Reilly, Chatman, & Caldwell, 1991). This appears to be particularly true in top management groups (Jackson, Brett, Sessa, Cooper, Julin, & Peyronnian, 1991). These dynamics surrounding the preference for working in homogeneous groups have reduced the opportunities for people to work in diverse groups. However, the Families and Work Institute study does note that people who have experienced diversity in the workplace tend to prefer it (1993).

Once formed, how effective have diverse groups tended to be? While there is some evidence that diverse work groups are useful for tasks requiring

creativity and judgment (Jackson, 1991), they can exhibit decreased cohesiveness, increased turnover, and lowered morale (Cox, 1993; O'Reilly, Caldwell, & Barnett, 1989).[17] When outnumbered in mixed groups, people of color tend to experience social isolation and hostility (O'Farrell & Harlan, 1982); women often experience an enhanced focus on their gender (Kanter, 1977) and a "spill over" of gender-related expectations onto work-role expectations (Gutek & Konrad, 1986). When minority composition increases in a previously all-white supervisory group, there is a tendency for the frequency of interpersonal communication among members to decrease (Hoffman, 1985). It has also been found that white men in mixed groups experience negative outcomes such as lower job-related satisfaction, lower self-esteem, and more job-related depression than men in either male or female-dominated work settings (Warton & Barton, 1987). In at least one study, whites and men experienced stronger negative reactions (i.e., loss of psychological attachment to the organization) when faced with work-unit diversity than did either nonwhites or women (Tsui, Egan, & O'Reilly, 1992).

These results suggest that people and organizations in today's world are ill-equipped to deal with the diversity we face. There is a very real tension between the preference for homogeneity and the inevitability of diversity. The emerging challenge for organizations is to find ways to creatively harness and maximize the benefits of diversity while acknowledging the loss of comfort and sense of disruption that comes from dealing with the unfamiliar.

Bias and Perceptions of Discrimination. Alongside the preference for homogeneity, there is also evidence of more systematic and direct discrimination. This can be examined in terms of people's perceptions and actual complaints filed. Large numbers of people of color and women report

being targets of discrimination based on race and gender. Fernandez (1993) found that 60% of black employees believed their race was harmful to their career advancement, compared with 20% of white males. At least 50% of the respondents of color indicated that they felt people of color have a harder time finding a sponsor or mentor, have to be better performers than whites to get ahead, and are often excluded from informal networks by whites (Fernandez, 1993).

A comparison of figures over time indicates that perceptions of discrimination decreased during the 1970s, but stayed about level (and even increased slightly in some areas) during the 1980s. These numbers have led some writers to conclude that discrimination decreased when there was a national commitment to address racism, but when there was no such commitment during the Presidencies of Ronald Reagan and George Bush, no improvements were perceived. In a survey reported by Time in 1992, 31% of whites and 54% of blacks believed that discrimination against blacks was more prevalent at the time than in previous years (Fernandez, 1993).

The ways people experience the organization and thus their perceptions of discrimination vary by racial/ethnic group, by gender, and by position within the organization (Fine, Johnson, & Ryan 1990; Tsui, Egan & O'Reilly, 1992; Jewson & Mason, 1986; Hamilton 1992). For example, Fernandez (1993) observed that people of different races discuss the experiences of discrimination differently: "blacks talk about discrimination based much more on race; Asians talk about discrimination based much more on style, culture and language; and Hispanics discuss a combination of race and culture" (p. 259).

Further, as women and minorities move up the corporate ladder, their

perceptions of how they fit and whether discrimination exists or not become significantly different than in entry level jobs. Women and minorities identify interpersonal barriers as obstacles to their success; white men are confident that formal structures and policies eliminate any obstacles (Fine, Johnson & Ryan, 1990). As women and minorities move into management positions where they are surrounded by fewer same-gender or same-race colleagues, their sense of group identity diminishes, and they feel more isolated and "token" (e.g., Kanter, 1977). They become less optimistic about their careers and work situations in sharp contrast to the increased optimism experienced by white men as they progress in their careers (Fernandez, 1993). Ella Bell ("Double Whammy", 1994) found that Black female managers felt even more isolated and without organizational support than white women managers.

In a parallel way, the behavior of women and people of color is interpreted differently than the behavior of white men. An example with respect to gender involves research indicating that while male and female leaders might be rated similarly when displaying some types of leadership styles (i.e., participative), women who display more authoritarian styles are viewed much more negatively than men with similar styles (Eagly & Klonsky, 1992). Men are allowed to display a greater variety of styles without encountering negative reactions. In addition, women can be constrained by the fact that men are likely to interpret their social interactions at work as flirtation and sexually motivated when women see the interaction as simply friendly (Abby, 1982; Saal, Johnson & Weber, 1989).

In terms of those who act on their perceptions that they are discriminated against and file complaints, there has been a rise in formal complaints of discrimination. For example, in 1992 there were 30% more

complaints filed at the EEOC regarding national origin charges (discrimination against people who are immigrants from certain nations) than in 1989 ("In Any", 1993). The Massachusetts Commission Against Discrimination (MCAD) received 15% more complaints in 1993 than in 1992 (21% of the cases alleged sex discrimination, 19% disability, 17% race and 16% age) (Hohler, 1993). Nationally, pregnancy discrimination complaints rose 11% in the year ending September 1992 (Shellenbarger, 1993c). However, statistics regarding EEO and AA complaints must be interpreted with great care. Some might assume that years in which few complaints are filed have few violations. However, low rates of complaints may be because those wishing to file realize: that huge backlogs of cases exist and time delays are considerable; that few cases are decided in favor of the plaintiffs; and that those filing complaints are widely reported to suffer serious retribution (ranging from harassment and isolation, to loss of job).

Thus women and people of color experience diverse forms of discrimination. Some forms are more direct barriers to their advancement; while others involved biased interpretations of behavior which can limit their opportunities to be taken seriously and thus to be successful.

Harassment. The evidence of sexual harassment in the workplace is startling. Sexual harassment has been defined as the inappropriate and/or unwanted sexualization of a work, academic, or professional relationship. It is estimated that about half of all women workers have been sexually harassed at some point during their working lives (Fitzgerald & Omerod, in press). Ninety percent of harassment cases involve men harassing women; nine percent involve same sex harassment and one percent involve women harassing men (9to5, 1992). When men are harassed, the perpetrator tends to be another man (Eller,

1990). In an unusually broad-based study of private sector working women in the Los Angeles area, Gutek (1985) found that over 50% had experienced at least one incident they considered sexual harassment. A classic survey of U.S. government workers found that 43% of the participants reported some form of sexual harassment at work (U.S. Merit Systems Protection Board, 1981; 1988). A 1990 study of military employees found that 64% of the women and 17% of the men said they had been sexually harassed (9to5, 1992). A 1991 poll found that 53% of female executives had either been sexually harassed or knew someone who had (9to5, 1992).

It also appears that when definitions of sexual harassment include not only the more sexualized harassment (threats, bribes, unwanted seductive behavior, sexual assaults) but also include sexist comments and jokes (typically referred to as hostile environment harassment or gender harassment), incident rates can exceed 70% (Bond, 1988).

The number of complaints filed with the Equal Employment Opportunity Commission was 10,532 in 1992, nearly double the number of complaints in 1987 (Fisher, 1993).[18] Approximately 90% of Fortune 500 companies have dealt with sexual harassment complaints, more than one-third have been sued at least once, and about one-quarter have been sued multiple times (Klein, 1988). These numbers are particularly striking since researchers estimate that at least ninety percent of sexual harassment victims are unwilling to come forward for two primary reasons: fear of retaliation and fear of loss of privacy (Klein, 1991; U.S. Merit Systems Protection Board, 1988; Salisbury, Ginorio, Remick, & Stringer, 1986).

In addition, victims of sexual harassment are recently finding that formal procedures for making complaints in some sectors are being removed from

the court systems. For example, in the securities industry complaints must be submitted to mandatory arbitration, with the three-person panel chosen and paid for by the industry itself - a serious conflict of interest.[19] Other sectors of the economy (insurance, banking, aerospace, and construction) are beginning to adopt the arbitration model to avoid employee lawsuits (Jacobs, 1994a; 1994b).

There does not appear to be as extensive a research literature on racial harassment. Nonetheless, anecdotal accounts abound of incidents that range from ethnic slams, racial jabs, and hate faxes to scrambled computer data and property damage (e.g., Graham, 1992; Solomon, 1992). For women of color, it is often impossible to distinguish between sexual and racial harassment largely because such women are often harassed due to both race and gender simultaneously. Crenshaw (1991) has described sexual harassment of black women as being so institutionalized as to have been a condition of black women's employment for centuries. It was rampant in times of slavery, and perpetuated more recently by myths about their indiscriminate sexuality (Crenshaw, 1991; DeFour, 1990). Parallel myths about "hot-blooded Latinas", Native American women devoted to male elders, and docile-exotic Asian women support the harassment of other women of color (DeFour, 1990).

As women enter new settings, they are finding that their risk of harassment increases. Several studies indicate that women in male-dominated professions are treated worse than those who work in predominantly female professions although the ways in which this occurs, as will be seen below, are complex. They are sexually harassed more often (Kauppinen-Toropainen, 1991; Lenhart, Klein, Falco, Phelan & Smith, 1991; Powell, 1991) and are generally treated with more hostility (Crull, 1992; O'Farell & Harlan, 1982). A study

of Fortune 500 companies revealed that the complaint rate for sexual harassment dropped by 50% when more than half of the corporate employees were women (Sandroff, 1988). The converse has not been found. Men in predominantly female settings experience almost no hostility (Schreiber, 1979), and token men tend to be well integrated into female work groups (Fairhurst & Snavely, 1983).[20]

The conclusions about the relationship between harassment and the percentage of women in an occupation or workplace, however, need to be modified in light of additional evidence. A study that looked more closely at particular levels of representation of women, found that when women auto workers were in settings with less than 10% women, they were sexually harassed less often than when women were more visible yet still in the minority (Gruber & Bjorn, 1982). Gruber and Bjorn (1982) speculate that the increased harassment for the larger minority was related to the increased sense of threat felt by male coworkers when women first become more visible. These results support the view that harassment is not only a barrier to increased diversity in the workplace, but is also a reaction to it.

Mixed groups seem to signal diminishing status and loss of security for white men, and these feelings may be intensified by hard evidence that when the proportion of women in a job classification goes up, the salary level for both men and women in that job class declines (e.g., Pfeffer & Davis-Blake, 1987).[21] Similarly, it has been observed that the greatest backlash to diversity initiatives occurs in organizations experiencing the greatest flux ("White, Male & Worried", 1994). Resistance to minority employees tends to be greatest when organizations are facing the type of uncertainty that comes with reorganization and downsizing. If jobs are secure, the backlash and

harassment seem to lessen.

In addition, it is not simply the fact of being a visible minority that sets the stage for problems - the relative power of men and women also appears critical. The relationship between men's power and harassment is, however, not a simple linear correlation. It is not men with the most power that tend to be the biggest harassers; nor are the women with the least power the most frequent targets. Rather, it appears that women tend to be harassed most often by men who have just slightly more power than they do (Gutek, 1985; McCain, 1983; Fitzgerald, Shullman, Bailey, Richards, Swecker, Gold, Ormerod, & Weitzman, 1988). The research suggests that the trajectory of a woman's career and the potential for her to achieve equal status with the man may be more critical factors than power alone (see Bond, in press, for a review).

Summary. So what is the current state of interactions between diverse groups in the workplace? Research points to a strong preference for homogeneous work groups, differential perceptions of discrimination, and widespread harassment directed primarily against groups that are perceived as possibly displacing white men. These results do not paint an optimistic picture for U.S. organizations that are facing the diversification of their workforce. Instead, these results may simply help clarify the nature and extent of resistance to diversity initiatives. They also point to the need to rethink most current diversity initiatives which focus on challenging the sexism and racism of individual employees, whereas we may need to pay more attention to the meaning (e.g., anticipated impact) the diversity initiatives have for all employees.

Organizational Culture

The third component of our definition of support for diversity addresses

the culture of the organization. What general values, beliefs, and traditions support efforts to create and manage a diverse workforce? What types of people are valued? Is "difference" seen as a resource or a problem?

Culture has been defined as "a way of life shared by members of a population" which includes the "social, technological, and psychological adaptations worked out in the course of a people's history" (Ogbu, 1988, p. 11). The culture of an *organization* typically refers to the basic values and assumptions underlying all activities of an organization, and is a product of experiences over time. Organizational culture is not immediately visible. It involves guiding values so basic that they are taken for granted and are difficult to define and confront (Schein, 1985; 1990). These shared assumptions and values are communicated through a wide range of organizational artifacts (such as language used, stories told, myths, rituals, and traditions). They guide members in defining appropriate and relevant behavior related to all aspects of organizational life (from what kinds of dress are considered appropriate to how much work effort is expected of people).

Organizational culture is related to diversity in at least two interconnected ways. First, the degree of congruence or fit between the organizational culture and individual cultures has important implications for how well people will work together. Second, there may be particular organizational cultures that are more supportive of the coexistence of diverse members than others.

Cultural Congruence. The issue of congruence between organizational and individual cultures has been partially addressed in our discussion of the preference for homogeneous work groups in that what begins as higher comfort with people like one's self often evolves into strong organizational norms for

behavior consistent with the preferences of the dominant group. As members of the homogeneous group further validate one another over time, they come to see their view as the primary reference point. Ethnocentrism and relatively monolithic standards for behavior can settle in as core values (Kelly, Azelton, Burzette & Mock, in press; Weiner, 1992).

Such monolithic organizational cultures tend to produce culture clash for members who are different from the norm (Cox, 1993; Fine, Johnson, & Ryan, 1990). Research indicates that people who are different from others in their work group (in a broad variety of ways ranging from age and tenure to race and gender) engage in less work-related communication with co-workers (Zenger & Lawrence, 1989), are less socially integrated into the work group (O'Reilly, Caldwell, & Barnett, 1989), and are seen less favorably by superiors (Tsui & O'Reilly, 1989). The lack of perceived fit with the dominant organizational culture can discourage diverse people from joining an organization and lead them to leave in higher numbers (e.g., Chatman, 1991; Jackson, 1991). Ethnocentric organizational cultures limit opportunities for positive interactions among people who are different, avoid experiences that would challenge prevailing expectations, and, thus, leave the core organizational values unchanged.

We know from evidence cited earlier, that the majority of organizations in the U.S. are still dominated by white men. As a result, most organizations in our country have cultures which are at least to some extent intolerant of people who do not fit the white male norm. It is, thus, not surprising that women and minorities often find these settings to be less than supportive. In such settings, being a woman or person of color means being different. "Being different" has often been equated with being deficient in

some critical ways (Fine, Johnson, & Ryan, 1990), therefore such people have less access to resources, acceptance, and status (Kelly et al., in press).

Organizational Cultures Supportive of Diversity. While there is some research on the impact on individuals who do not feel they fit with the prevailing culture, there is little empirical evidence regarding what a culture supportive of diversity would actually look like. Since culture is almost impossible to measure, the dearth of empirical work is not surprising. The literature on organizational culture as it relates to diversity, instead, consists primarily of typologies and case studies which speculate about what core values are important for fostering diversity.

A few researchers have created typologies of organizations based on the extent to which an organization is supportive of diversity (Cox, 1993; Jackson, LaFasto, Schultz, & Kelly, 1992). Multicultural organizations are characterized by pluralism; full integration of different groups both formally and informally; feelings of belonging, loyalty, and commitment among all members; and a low degree of intergroup conflict (Cox, 1991). To establish such a setting requires an organizational culture that truly values diversity and reflects the contributions of diverse cultural and social groups in its mission, vision, and practices (Jackson et al., 1992). Researchers note, however, that there are currently very few examples of organizations that qualify as fully multicultural by these standards.

It is also important to remember that there are subcultures within organizations, and that not all participants experience the work environment in the same way. Men, women, and people of color can experience the same organization in quite differently. They not only typically occupy different places in the hierarchy, they also tend to establish different communication

networks, have access to different types of information about what happens in the organization, and hold different perceptions about the criteria for promotion (Fine, Johnson & Ryan, 1990). Thus although leader behavior is crucial to establishing an organizational culture supportive of diversity, culture is not just determined by what is dictated from above. Organizational leadership might decide to pursue some diversity initiatives. To alter the organizational culture, however, the initiative will need to institutionalize a value for differences that permeates the experiences of members of all kinds at all levels of the organization.

Existing Explanations for Workforce Inequities

As our status report indicates, there is a lack of support for diversity in our current workforce - exhibited in patterns of representation in organizations, shown by the nature of interactions between diverse groups, and indicated by the resistance of corporate cultures to embracing diversity.

Existing explanations for inequities in people's positions in the labor force are numerous. In the following discussion, we will organize explanations into three types: human capital/person-centered, labor market discrimination, and societal discrimination. The explanations differ widely in the scope of their analyses, in attributions regarding the causes of inequities, and therefore, in the proposed remedies for injustices.

Human Capital Model/Person-Centered Approaches

Some approaches argue that inequalities in the workforce with respect to earnings and occupations arise because of differences in skills, training, experience, and preferences (i.e., the qualifications people have and the way they supply themselves to the labor market). The most prominent such explanation within economics is the human capital model. In psychology,

approaches that emphasize individual-differences come to essentially the same conclusions.

The human capital approach suggests that individuals enter a specific occupation or hold a particular job because of free choices they each make regarding accumulation of 'human capital'.[22] Human capital is typically defined as the type and level of education people choose to complete and the experience and training they obtain.[23] This approach assumes that individuals find employment appropriate to the level of human capital they accumulate and are compensated accordingly. For example, competitive economic models assume a worker will be paid equal to the value of his or her production, i.e., fairly. Therefore, people are in lower-level, lower-paid jobs because of their own voluntary choices regarding their attainment of education, experience, or on-the-job training. According to this point of view, if inequities exist between groups of people, categorized by race, ethnicity and/or by gender, it is due to the results of individual decisions rather than to labor market discrimination.

Proponents of this model have recognized that a critical difference between the genders is that women have major responsibility for home duties. It is argued that women who seek employment outside the home therefore often select occupations or careers that allow them time and flexibility to manage home duties. Such occupations usually pay less. Similarly, when women have less education and training, it is considered a result of their anticipating shorter work lives due to childrearing. It is these <u>choices</u> that are considered the primary reason women have lower earnings.

According to this approach, the solution to undesirable conditions is for individuals to choose to obtain more education and experience. Public

policies, other than those that increase access to non-discriminatory educational or training facilities or that provide childcare (or otherwise accommodate home duties), would not be needed, since the labor market outcomes are strictly the result of voluntary choices rather than the result of systematic biases or structural problems in the labor market.[24]

The human capital model is akin to psychological models that emphasize individual differences as the reason some people succeed (e.g., get certain positions, have money and/or other resources) and others do not. The individual differences approaches have their roots in Social Darwinism which assumes that variations in people's abilities determine their success in society through a process of social selection. Historically, psychological approaches which focus on individual differences in skills, preferences, and attitudes have tended to ignore situational influences and/or assume that they were benign.

More recently, influences such as gender, race, family background, and socialization have been more widely factored into understandings of individual differences. Such analyses have considered how socialization processes influence the way people see themselves, what they consider appropriate behaviors, what role they expect work to play in their lives, and the types of jobs to which they aspire. Gender-role socialization is seen as contributing to choice of occupation. It determines what women and men see as jobs appropriate to their gender and keeps them ignorant of occupations associated with the opposite gender.

However, the work in this tradition remains person-centered (Kelley & Streeter, 1992; Riger & Galligan, 1990). As Ryan (1971) points out in his classic book Blaming the Victim, the implications of attributing a person's

standing to individual skills and abilities are essentially the same as claiming socialization to be the source. On the one hand, the solution is to provide remedial education to enhance skills; on the other, it is to make up for or undo the influence of socialization, such as by assertiveness training. Either way, the dominant cultural norms (and associated expectations about workforce participation) are taken as a given, and the problems people encounter because they deviate from those norms is left to them as individuals to solve.

Human capital models cannot account for differences between women and men who have the same qualifications and education, nor can they explain why some highly skilled positions (e.g., nursing) are dominated by women.[25] Socialization theory cannot explain the wage gap and other inequities between women and men in the same occupation who have similar styles and personalities (Kelley & Streeter, 1992). Other than recognizing that women's choices are shaped by their disproportionate responsibility for family duties, both models overlook the fact that people are not making choices regarding education and experience from the same set of options. Nor do these models actively recognize that society's reinforcement of some abilities/choices and not others is socially determined.

Other approaches suggest that varying forms of cultural conventions, attitudes regarding what is appropriate for different peoples, and societal discrimination (as well as the types of labor market discrimination to be discussed below) may profoundly affect the range of choices an individual actually faces or perceives as realistic. This, in turn, can result in minorities and women making very different decisions than white men regarding education, experience, and where to supply themselves in the labor market.

In one sense, women and minorities choose of their own volition, but their 'free choices' are not comparable to those of white men. The range of alternatives available to them (and the costs and benefits associated with each choice) differ sharply due to factors outside the control of the individual.

In sum, both the human capital and individual differences perspectives consider variations among individuals to be the primary reason for people's differential status in the workforce. While both perspectives have more recently acknowledged some social influences, such modifications have not altered the basic emphasis on the individual as responsible for his/her position. Interventions that emphasize education, added experience, individual skill-building, and training can be seen as emerging from such individually-based perspectives.

Models of Discrimination

Other schools of thought argue that widespread labor market discrimination against certain groups (women, minorities) is the cause of their disadvantaged positions in the labor force, in terms of hiring, occupations, wages and promotions. Numerous types of discriminatory practices have been analyzed, in each case explaining how the practices shape the demand for and rewarding of workers in biased and unequal ways. A review of both the economics and psychology literatures reveals three often-overlapping perspectives: 1) discriminatory preferences or tastes by co-workers or customers; 2) statistical discrimination/stereotyping; and 3) forms of institutional discrimination.[26]

Discriminatory Tastes. To elaborate, "discriminatory tastes" means that employees prefer to work with similar people (men feel much more comfortable

working with men, as do people of particular races or ethnic groups). This is a perspective supported by the research cited earlier on people's preference for homogeneous work groups. This explanatory perspective also observes that, in many cases, customers prefer to deal with a particular gender or race in purchasing many products (e.g., caucasians prefer other whites or people may want to purchase specific products or services from someone of a particular gender). The results of such preferences can be blatant discrimination, where certain people are simply excluded from jobs. It can also be more subtle, where women and minorities are less welcome in the informal networks that operate around management positions and other traditionally white male positions. [27]

While some economic theories focus on the impact "discriminatory tastes" have on the labor force, a variety of social psychological theories concern themselves with the intra- and the interpersonal processes that produce the biased or discriminatory preferences. Tsui and colleagues employ self-categorization theory and relational demography (Tsui & O'Reilly, 1989; Tsui, Egan, & O'Reilly, 1992) to understand people's preferences to work with similar others. Simply stated, the theory is that in order to clarify a social identity people engage in a process whereby they categorize themselves and others into social groupings using characteristics such as age, race, gender, and organizational membership. An individual's self image is based on membership in such psychological groups and on differentiation between his/her own group and others. To enhance self-identity, the individual may seek to maximize intergroup distinctiveness and may come to see out-group members as less attractive.

From a slightly different perspective, cognitive-consistency theories

have been employed to explain not only preferences for homogeneity, but also preferences that others remain in roles consistent with past observations. Cognitive-consistency theory is based on the assumption that individuals have a basic need for control and predictability in their lives. Dealing with familiar others (i.e., similar to one's self) enhances one's sense that the world is predictable, as does consistently associating a particular gender and/or race with particular organizational roles.

The economic perspective on discriminatory tastes does not concern itself with interventions that could alter people's preferences -- rather tastes are considered givens. Instead, strategies to alter the discriminatory practices are more likely to involve mandating diversity through such policies as EEO and affirmative action. The implications of the social psychological theories (whether self-categorization theory, cognitive-consistency theory, or another related social psychological theory), on the other hand, are that dealing with people and situations that are outside one's previous experience can create anxiety and/or a challenge to one's sense of self. Preferred interventions would involve sensitivity training and team-building activities aimed at appreciating differences.

Thus, the economic and psychological perspectives focusing on explaining the same phenomenon lead to different, but potentially complementary, intervention strategies. Mandated integration can ensure that there are opportunities for interaction among diverse groups, while the sensitivity and team-building activities can help in dealing with the associated anxieties. The combination could ideally enable people to revise their tastes and preferences.

Statistical Discrimination/Stereotyping. A second approach to explaining

discrimination is called "statistical discrimination" by economists. This refers to the fact that an individual is often evaluated by what is perceived to be the average characteristics or behavior of that person's group (e.g., with regard to productivity or job stability). For example, an individual female job applicant may be evaluated as likely to interrupt her career for childbearing and therefore lose the job to a male, who is perceived as a more permanent employee. This may occur even if the individual woman has no intention of interrupting, because, statistically, women have taken more time off for childbearing and childcare than men. Similarly, a minority applicant may be judged on the perceived average characteristics and labor market behavior of his/her group, even if the individual differs.

In the psychological literature, the process of making assumptions about people based on their membership in a group is referred to as stereotyping. There is, however, a subtle difference in the meaning of the terms adopted by economics and psychology. Statistical discrimination connotes a presumption that the characteristics attributed to the group are based in some sort of numerical norm. With respect to stereotyping, discrimination may as likely be based on myth about the group as on statistical trends. Small real differences may be amplified into large mythical differences; one good or bad experience can be generalized to all members of the group.

In either form, however, the discrimination involves projecting characteristics and/or expectations onto an individual based on preconceived notions about her/his group. This judgment process leads to a primary focus on differences between groups and is based on an assumption of homogeneity within the group. Both similarities between genders/among races and the variability within groups are ignored. Statistical discrimination/stereotyping

can not only lead to direct discrimination, but the dynamics can affect the ongoing working conditions of an organization in at least two additional ways. Statistical discrimination/stereotyping can result in: 1) self-fulfilling prophecies (e.g., women who are placed in secondary jobs because of presumptions of high turnover, may indeed end up having higher turnover rates because of their placement in jobs with limited opportunities for growth and less flexibility to manage their multiple roles), and 2) self-reinforcing cycle or vicious circle (e.g., stereotyping of outgroup members leads to reduced contact between groups which leads to reduced opportunity to challenge stereotypes and further rigidification of group boundaries which then only serves to intensify presumptions of homogeneity and stereotyping of outgroup members).

To counter imbalances resulting from statistical discrimination, economists would again rely primarily on mandating broader representation through laws and policies. Some psychologists would suggest intrapersonal solutions (e.g., self-regulation of prejudiced behavior). Others would focus on getting the diverse individuals to interact more, recognizing that limits on opportunities to interact with others who are different becomes a primary barrier to challenging stereotypes. Kelly et al. (in press) suggest that stereotyping can best be countered by creating opportunities for workers to interact informally and outside formal roles. Such opportunities can allow members of different groups to see one another as people first, to appreciate individual variations within any group, and to recognize overlapping group memberships (e.g., based on gender, race, and position as well as on personal interests, pastimes, and avocations) and thus serve to break down the process of stereotyping.

Again the psychological and economic approaches are potentially complementary. The policy level approach of economists gets a more diverse set of workers into the workplace in a more direct manner than possible with any other type of intervention. However, it has been observed that even when people are at the same level and in similar positions, they do not necessarily interact with one another. In fact, as we have mentioned previously, animosities, defensiveness, and harassment often result. Creating opportunities for people to break down the rigid boundaries between groups (and thereby reduce stereotyping) can be an important antidote to the adverse reactions to mandated integration.

Institutional Discrimination. There are a variety of institutional models that suggest that, in contrast to the notion of the free, flexible, competitive labor market, these markets have been structurally shaped by institutions in ways that discriminate against certain groups, placing them in subordinate positions involving lower wages. For example, the internal labor market model points out that many firms hire from the external labor market only for entry-level jobs, opting to promote largely from within. Statistical discrimination and taste discrimination may combine with the relatively low number of women and people of color in the internal labor market to preclude access to a wide range of jobs through promotion.

The dual labor markets model or labor market segmentation approach argue that labor markets are divided into categories of more and less desirable jobs, with women and minorities channeled into the latter. The dual labor market model posits there are two general types of jobs: primary and secondary. Primary jobs are the better jobs - requiring higher levels of firm-specific skills and offering higher wages, better opportunities for

promotion, and a longer-term employment horizon. Secondary jobs are the opposite in all respects. Women and minorities have differential access to jobs due to discrimination, and thus are disproportionately concentrated in the latter. The labor market segmentation approach argues that employers like to segment the workforce by race and gender. Such a management strategy intensifies divisions already existing between groups and further precludes the opportunity of workers to band together to demand better wages and conditions of employment.

Structural perspectives within psychology consider individual behavior as well as stratification by race and/or gender to be a function of different organizational structures and practices. Organizational entrance requirements, evaluation procedures, promotion criteria, training opportunities, and flexibility of schedules can all serve to both directly and indirectly limit the participation of women and people of color. These types of formal structures also influence informal practices in a way that women and minorities have less access to information, informal networks, and mentors. Opportunities are blocked, and power limited. As Watts and Carter (1991) indicate, "the hallmarks of institutionalized racism can be summarized in two words: power and mobility".

All of these explanations focus on how institutionalized practices contribute to discrimination, and suggest the importance of laws and policies that prohibit discriminatory practices. These broad level mandates can be complemented by reevaluating requirements, establishing clear criteria, and increasing accountability in order to increase workers access to decision making. Restructuring work groups, reevaluating personnel policies, rethinking communication networks, expanding career-development opportunities, and

increasing flexibility of schedules can also help to counter institutional discrimination by altering work patterns that have previously excluded people who are "different".

Societal Discrimination

In contrast to models that view race or gender differences as resulting from individual choices, some other models consider such disparities to be shaped by societal discrimination. These models emphasize that the individual and the organization cannot be understood separately from the society and culture in which we live and work. Societal discrimination explanations incorporate analyses of a wide range of social influences. Systemic factors that influence individuals and organizations include, but are not limited to, the government and its laws and policies, the educational system, the media, religious institutions, pervasive cultural values and ideologies, and histories.

Societal discrimination models also address the impact of gender-role stereotypes and expectations. As discussed earlier, however, socialization-based explanations are often essentially person-center explanations to the extent that the focus is on the individual's tendency to make gender-appropriate choices and to the extent that interventions return to the individual to make up for "faulty" socialization. The very same gender-biased societal beliefs, however, can also be seen as recursively influencing broader social processes and institutions that contribute to discrimination (i.e., both influencing and explaining issues ranging from why women have more opportunities in times of war than when peace prevails, Farley, 1993, to how families and communities are structured to support or discourage work-related activities). Strategies based on societal discrimination models call for

fundamental changes in social structures.

Summary

No single theory adequately explains the phenomena of segregation and discrimination in the labor force. The three major explanations for labor force inequities summarized here (human capital, discrimination, and societal discrimination) are neither clear-cut nor totally separate. They often overlap and interact. For example, if labor market discrimination exists, it can have a feedback effect on the human capital decisions of women and minorities. If members of these groups perceive that access to certain types of jobs is extremely limited and rife with difficulties, it is logical for otherwise qualified individuals to choose to not obtain the education necessary for such careers.[28] To alleviate inequities, therefore, requires development of a broad, multi-leveled approach.

Emerging Dilemmas

Explanations for the disadvantaged positions many groups occupy in the labor force and for the slow progress toward an integrated workforce come from many disciplines. We have focused in particular on those offered by the social sciences of economics and psychology and have reviewed several prominent schools of thought within each discipline. We have explored how the approaches adopted by the disciplines reflect several levels of analysis and embrace differing, yet often complementary, perspectives. The reality remains, however, that we have made relatively little progress toward promoting amicable, productive working relationships across differences. What stands in the way? What forces are making gains so difficult? In the following section we describe several key dilemmas that currently exist (or have recently emerged), each of which makes progress toward achieving an effective and

diverse workforce a complex challenge in the 1990s.

Dilemma #1: Assumptions about the importance of sameness vs. difference can give rise to a variety of contradictions between intent and impact

Policy approaches and assumptions of same vs. different

Contradictions can arise between the use of legal mechanisms to rectify inequities and the goal of supporting diversity. Some employment policies which are designed to address intentional discrimination emphasize that everyone should be treated the same. Efforts designed to ensure that everyone has equal access to opportunities often focus on eliminating any disparate treatment that might affect decisions about employment, promotion, career development opportunities, job assignments, and termination. Here the emphasis is on treating everyone the same. However, this denial of difference can conflict with what is needed to manage diversity in the organization (i.e., treating people differently based upon their unique culture). "Obviously, everyone isn't the same, and trying to manage a company as though they were has often proved to be counterproductive" (Hamilton, 1992, p. 21).

While approaches based on the assumption that everyone should be treated the same may address the equality of opportunities, they do not necessarily address equality of outcomes. Laws and policies that focus on the potential for disparate-impact -- i.e., assess the impact of particular organizational practices on different types of individuals and attempt to make accommodations that prevent/redress differential outcomes -- recognize that groups may be differentially affected and may need to be treated differently. Standards for behavior might vary depending upon a person's gender and/or race. For example, what might be considered harassing behavior when done by a man to a woman, would not necessarily constitute harassment when done by a lone woman in an all-male shop. Some courts have indicated that the asymmetry of the

man's and woman's positions must be taken into consideration.

However, while some women and minorities would like to have the ways in which their lives differ from the norm recognized (even understood and appreciated), others would prefer to de-emphasize their membership in a particular category (women, minority). From the point of view of employees, there is considerable controversy over so-called preferential treatment and over emphasizing the ways in which women and people of color are different from the white male norm. In situations where AA programs are in place, women and minorities are often perceived (and treated) as though the main characteristic that qualified them for the job was their gender and/or race. This obviously undermines them and sets up a negative dynamic. The women and minorities are often angered by the implications that they achieved positions primarily because of preferential treatment; white men may resent what they perceive as others receiving an unfair advantage.

Side effects of a focus on differences/distinctiveness

The solution, however, is not necessarily to abandon special treatment. Rather it may be critical to reframe/replace the emphasis on "preferential" with the notion that individual behavior can be best understood, interpreted, and assessed when considered relative to one's unique culture, current status, and history and how they compare to that of another. In order to do so, the notion that "difference = bad" needs to be challenged. In our culture, difference is often equated with wrong, pathological, unknown, and scary. Some attempts to appreciate cultural uniquenesses, however, have simply replaced a "difference as deficit" perspective with a "difference as better" perspective (Fine et al., 1990, p. 306). For example, "celebrating diversity" has sometimes been taken to mean recognizing the superiority of so-called

women's skills, perspectives, inclinations (e.g., empathy, listening, collaborative decision making). The problem is that the "difference as deficit" and "difference as better" perspectives both "assume some hierarchy of skills and behaviors based on comparing white men with women and with minorities" (Fine et al., 1990, p. 306). Generalizations about white men remain the normative standard against which others are compared, thereby essentially leaving core assumptions and values unchallenged. Focusing on 'whose approach to the work is better' can derail discussions about how organizations, work patterns, and/or expected outcomes need to be restructured to accommodate and incorporate diverse peoples.

Whether considered better or worse, a focus on differences between groups can also reinforce assumptions of homogeneity within the groups. For example, articulating gender differences can serve to reinforce stereotypes and become a basis upon which people are discriminated against — even if the original intention is to foster an appreciation of the ways women and men might differ (Castro, 1992). A focus on group distinctions also precludes the examination of individual and subgroup variations. Thus ironically, the focus on differences (between groups) can actually inhibit the appreciation of differences (within groups). No matter what the original intention, contrasting groups to one another can easily perpetuate occupational segregation by leading back to the argument that one group is better suited for a particular type of work/role than another.

At the same time that a focus on cultural distinctiveness can lead to assumptions of within-group homogeneity, it can also result in erroneous/misguided attributions about the sources of difference. As Mednick (1989) argues, constructs used to describe the distinctiveness of women

(whether fear of success, androgyny, or the notion of a different voice) attribute the uniqueness primarily to gender and thereby ignore the influence of "cultural, socioeconomic, structural, or contemporaneous situational factors that may affect behavior" (p. 1120). This emphasis on gender as the primary correlate of a particular behavior pattern or work outcome for women stands in direct contradiction to research that indicates that some previously assumed gender differences no longer emerge when researchers control for power and status (e.g., Lott, 1987).

Similarly, it is important to avoid confounding cultural distinctiveness among minority groups with reactions to oppression (Watts, 1992; Ogbu, 1993). Ogbu (1993) makes a distinction between primary and secondary cultural differences.[29] Primary cultural differences predate contact between the minority and the majority groups. Secondary cultural differences, in contrast, form in response to incorporation into and subsequent treatment by the majority culture. Some groups have established what he refers to as an "oppositional cultural frame of reference" where some of their distinctiveness arose in reaction to the majority group. When some of a group's collective identity is rooted in being different/separate from the majority, it is becomes particularly challenging to figure out how to reach across cultural differences.

To counter the problems that emerge from a focus on differences, Fine et al. (1990) suggest adopting a "difference as difference" perspective which is founded on the belief that each group organizes and defines experience within its own set of cultural assumptions and experiences. Difference is neither good nor bad; it's just different. While this seems a critical change in perspective, it is not easy to change associated worker attitudes and

behaviors toward differences.

Mednick (1989) argues that a focus on intrinsic differences between women and men leads us almost inevitably to individual-level change prescriptions and to ignoring sociopolitical analyses. Thereby, what might have begun as genuine efforts to appreciate uniquenesses are transformed into support for "conservative policies that, in fact, could do little else but maintain the status quo vis-a-vis gender politics" (p. 1122).

Thus initiatives to enhance diversity can vary with respect to whether they are based on assumptions of sameness or difference. Many legal mandates emphasize sameness/equality of treatment. Most approaches to actually managing a diverse group emphasize the need to recognize and understand how to treat people differently based on the unique cultures of racial and gender groups. As we have discussed, several related dilemmas emerge when diversity initiatives pay attention to only difference or similarity. In addition, Trickett, Birman, and Watts (1993) appreciate much of Mednick's analysis but argue that while acontextual analyses of cultural attributes have dangerous side effects, the analysis of difference does not necessarily have to lead to conservative political outcomes if cultural attributes are considered in an ecological context.

Dilemma #2: Unintended consequences and backlashes have emerged from implementation of internal and external approaches

Policies to counter the lack of diversity in organizations have been imposed externally by the federal or state governments as mandatory for most organizations. They have also been implemented internally, as many organizations have established family friendly policies or diversity programs. A variety of backlashes and controversies have resulted, in turn causing additional and often very difficult dilemmas. Although many of these issues

also involve the knotty controversies regarding sameness/difference discussed above, we focus in this section on the more open resistance to the policies established.

Backlashes to externally-imposed approaches

As discussed earlier, a major line of reasoning from the social sciences is that certain groups are in subordinate positions in organizations because of discrimination. A solution that has been widely utilized since the 1960s is equal employment opportunity (EEO) legislation. In this situation, policy is designed at the level of society (federal or state governments) to change the legal structure within which organizations operate. Organizations then internalize and institutionalize such directives, operationalizing them via programs such as Affirmative Action (AA). Some of the major components of the EEO legislation are[30]: the Equal Pay Act of 1963 (which requires equal pay for equal work)[31]; Title VII of the Civil Rights Act 1964 (which made it illegal to discriminate in hiring, firing, etc. with respect to race, color, religion, national origin, and sex)[32]; Americans with Disabilities Act of 1990 (which prohibits discrimination against qualified persons with physical or mental disabilities in hiring, promotion, training, compensation in public and private workplaces)[33]; the 1991 Civil Rights Act of 1991 (which revitalized affirmative action and EEO laws, permitted women to sue for compensatory and punitive damages, and established the Glass Ceiling Commission).[34]

Such policies are widely thought to have improved opportunities for women and minorities. EEO and AA programs yielded positive gains for women and minorities with respect to greater stability of employment from the mid 1960s until the Reagan years (Uri & Mixon, 1991). They were successful in

incorporating Blacks and women into public sector employment and reduced the gender wage gap in twenty states during the 1980s (IWPR and Urban Institute study cited in NCRW newsletter Winter 1994). Smith and Welch (1989) conclude that AA did alter the location of Black employment, with Black men much more likely to work for firms that were required to report to the EEOC than in the same firms before EEOC. They were also more likely to hold managerial and professional positions.[35]

However, the use of EEO legislation and AA policies to address the problem of workplace inequities and discrimination produces several types of problems. Such an approach to reducing inequalities can easily generate resentment, turn confrontational and litigious, and can result in a variety of counter strategies.

A backlash has developed, as some people denied positions (particularly males and/or Caucasians) assert that such policies can result in reverse discrimination (i.e., the males or whites feel they are being discriminated against as women and minorities are given preference). Considerable press is given to such cases and allegations. However, numbers appear to be few. For example, a recent cover story of Business Week ("White, Male, and Worried", January 31, 1994) which focuses on the fears of white males even acknowledges the phenomenon is "far from universal" and "most white males don't feel particularly threatened or haven't noticed such changes where they work" (p. 51).

Attitudes regarding affirmative action range from those who argue it should be abolished because it interferes with the market (e.g., Epstein, 1992) to Stanley Fish (1993) who writes compellingly in favor of AA to counter the injustices the slave system wrought upon African-Americans. Much

contention has also arisen within Black America. Some Black conservatives have argued against AA (e.g., Carter, 1991) because they fear Blacks in positions will be regarded as the 'best Black' rather than the best person and therefore disparaged. Other Blacks heatedly contest this point of view, stating that AA is needed and must be supported (McCoy, 1994). In general, the debate increasingly focuses on 'who's civil rights?', often with each side indicating they believe their rights have been infringed upon.[36]

The legislative approach is not only producing more litigation, but also is generating 1) increasing rules and rulings that seek to clarify how organizations are to operate to comply with the law (that are in turn adding to the confusion and movement toward a litigious gridlock) and 2) a variety of defensive strategies as organizations seek to avoid litigation.

There is confusion over the meaning of the law and how it is to be operationalized. For example, new EEOC guidelines on job interviewing were designed to assist organizations in interviewing in a way that does not violate the Americans with Disabilities Act of 1990. The new guidelines have led instead to enormous confusion in organizations regarding how to proceed with application questions and interviews (Lambert, 1994). Before the 1990 Act employers could make inquiries regarding an applicant's disability, ostensibly with the idea that they would use the information to make necessary arrangements to accommodate it in the workplace. However, it was believed that potential employees were discriminated against on this basis and therefore, the 1990 Act forbids employers from asking such questions. Operationalizing this act remains very difficult and involves extremely sensitive issues.

To avoid possible litigation, some companies have tried to alter layoff

policies to keep the percentage of women and minorities at a level they consider acceptable. They consider the traditional last hired-first fired approach too damaging in terms of potential litigation (Lopez, 1992). Some companies have even done sophisticated calculations to make sure layoffs do not look discriminatory (Felsenthal, 1994). Such situations also raise the issues of 'who's civil rights' are being protected and whether certain groups should be treated differently.

As we saw above, in an effort to avoid lawsuits, several sectors have moved to mandatory arbitration of employee complaints. However, many (including a senator and numerous representatives) are concerned that employees are being forced, as a condition of employment, to sign away their right to a trial. Opponents are further concerned that although arbitration may work when companies with equal resources and savvy utilize it, this balance does not exist in the employer-employee relationship (Jacobs, 1994b).[37]

Unintended impact of family friendly policies

Many organizations have come to realize that workers with families, particularly children in the household, are often under great stress to fulfill their responsibilities in the workplace and the home. Therefore, many organizations have implemented a variety of family friendly policies - flexible scheduling (including part-time work, job sharing, work at home), time off (sick days, family leave, and leaves of absence), and various forms of childcare assistance and after-school programs.

However, backlash/controversy has erupted particularly with respect to family friendly policies designed for workers with children (Grossman, 1993; Shellenbarger, 1992). On the one hand, workers without children increasingly resent what they perceive as special policies tailored to employees with

children. In a recent study, over 20% of those surveyed indicated they had to accept added responsibilities to cover for parents with whom they worked.[38] On the other hand, workers with children argue that they are not being given preferential treatment. The current workday (9:00 to 5:00) itself gives preferential treatment to those without children. It is a schedule convenient only for those who either have no children, or who have a home-based partner or helper. Workers with children assert that, although they may utilize family policies, they are still expected to either fully carry their own workload or substantially slow down their careers.

Because many childless employees seek time to pursue various interests in their personal lives, several corporations (e.g., Kodak and Corning) have instituted 'work-life' programs to allow employees flexibility or leaves of absence for various personal needs (Williams, 1994).

Resistance to in-house diversity programs

Over 40% of U.S. corporations report that they have established some sort of in-house diversity program to facilitate understandings of workers from other cultures, ethnic or racial groups, or gender and therefore to enable people to work better together. Many imposed training programs are often based on the assumption that support for diversity will be enhanced if the sexism/racism of individual employees is confronted, challenged, and changed. Numerous problems have ensued. First, many employees perceive their organization's interest in diversity as simply a superficial gesture - a topic to which lip service is given but which will not result in any fundamental change in the organizational culture (Williams, 1992). In addition, workshops on the value of diversity can be perceived as condescending and/or disconnected from the realities of everyday life at work. In all such cases,

participants essentially resist the diversity programs by not taking them seriously. To the extent such programs are considered important, it is women and minorities that value employer efforts to enhance diversity (a 'preaching to the choir' phenomenon). Research reveals a strong positive correlation between the percent of women in an organization and favorable view of diversity programs (Kossek & Zonia, 1993).

Second, as indicated earlier, discussion of the ways in which groups of people differ can lead to developing new stereotypes or reinforcing existing ones (Solomon, 1990). Thus the original intent of the programs is turned on its head. What was designed to be a set of exercises in coming together results in increased divisiveness and rising animosities. Similarly, some diversity training programs have reportedly reduced blatant sexism and racism, only to replace them with "tons of anger" (Egan, 1993, p. a18). People can have quite volatile reactions to attempts to change attitudes by forcing them to attend such seminars.

In addition, there is the problem of how employee/participants in diversity programs interpret the meaning of increased diversity. They are being asked to become more sensitive and understanding of others. However, they may often perceive that demands to work effectively with others who are different than one's self means reduced power, confusion about how to behave, and potential loss of job security.

Any attempts at establishing diversity programs must be aware of all these possible reactions from the employees participating in them. As mentioned earlier, individual appreciation of others is crucial to creating settings where diverse peoples can work effectively together. However, attempts at individual-level change need to be sensitive to the "social

support systems needed to appreciate and understand differences in points of view and heritage" (Kelly et al, in press, p. 3). In addition, attention needs to be paid to organizational structures and policies that can support efforts to struggle with diversity.

Dilemma #3: Many efforts to support workforce diversity have been limited by prevailing cultural values

There has been substantial focus on developing and altering policies to eliminate barriers to the advancement of women and people of color. Family-friendly policies established by organizations and by the federal government (e.g., the Family and Medical Leave Act of 1993) have been designed to help women and men balance work-family demands. The Glass Ceiling Initiative and Affirmative Action Programs have been developed to improve the situation for women and minorities. These policies and initiatives have simply not been the successful antidote proponents had hoped for.

Limited impact of family-friendly policies

With respect to family-friendly policies, the results are mixed. First of all, family-friendly policies are not as common as all of the press would lead a casual observer to believe (Shellenbarger, 1993a). Even in those organizations that offer options to work at home, part-time schedules, flextime, or job sharing, the reality is that very few employees take advantage of them. This is, in part, because the benefits are often not made available to all employees. Options available to top-level managers are less available to line workers and others down the corporate ladder. There is also evidence that organizations supportive of offering office workers more flexibility to address home demands, do not necessarily extend those benefits to women who do nontraditional work (Shellenbarger, 1993a). In addition, many

women do not take advantage of "family-friendly" options because the informal work-related cost to them is too high.

When women are able to take advantage of benefits, the actual impact of family-friendly benefits is also unclear. On the one hand, some studies show that benefits such as child care have increased both annual hours worked by women and their attachment to their employers (e.g., Lehrer, Shatero & Mohan-Neill, 1991). On the other hand, recent work based on an analysis of more than 38,000 companies indicates that there is a low correlation between policies and the representation of women at higher levels of the organization ("Family Friendly Firms", 1994). Some of the companies with the most progressive and comprehensive family-oriented benefits have some of the worst records for promoting women. Ironically, some of the firms without benefits such as child care, family leave, and flextime have higher numbers of women in management positions. Some argue that training and recruitment, succession planning, informal work supports and mentoring are much more important factors for women's advancement. The distinction may be that policies that simply accommodate women and home demands are not as meaningful as those that embody an organizational value for women's current and future contributions.

Results for flextime are interesting. While some studies indicate that flextime allows workers more flexibility to manage life's multiple demands (e.g., Winett, Neale, & Williams, 1982), others have found that formal flex programs are of little benefit (Shinn, Wong, Simko, & Ortiz-Torres, 1989). However, the extent to which women can alter their own schedule and general supportiveness of supervisors around scheduling needs are related to reduced stress and increased job satisfaction (Shinn et al., 1989). When implemented for the entire workforce (e.g., each employee setting own hours), the results

have included lower absence rates, improved team work, improved morale, and an increased sense of control over work ("Some Companies Experiment", 1994). It appears that formal flextime programs may or may not provide the necessary support for establishing a truly workable schedule, whereas a more general value for flexibility is indeed helpful in supporting the diverse personal situations and constraints and thereby the advancement of women.

Family friendly policies have actually had some adverse effects for women. Unwritten rules of the organization often punish women who make use of such policies (and relegate them to a no-growth 'mommy track'). The very existence of the policies can function to emphasize differences between women and men, which, as discussed above, can make it tougher to overcome stereotypes. The use and impact of such policies is highly dependent upon the supportiveness of supervisors and the overall organizational culture. The existence of policies does not necessarily reflect a real value for attending to the work-family interface. Some organizations adopt such policies as "public relations gimmicks" and recruitment tools (Shellenbarger, 1993a, p. R4). That is, the adoption of policies does not necessarily mean that they are backed up by core organizational values. For example, policies may allow a woman to rearrange her schedule to care for a sick child, but if her supervisor then judges her less committed, gives her a poor performance evaluation, and reassigns her important tasks to others, the policy is an empty shell. In addition, some policies are more token than real in design. The highly-debated Family and Medical Leave Act has provided employees with the option for a three-month <u>unpaid</u> leave when needed for family care. Since its passage, very few women or men have made use of the option. This is, in part, because loosing three months of income is simply not an option for most

working families (particularly when faced with a new and/or ill family member). There is also evidence of widespread noncompliance with the law. Many organizations have not been offering the mandated leave option or have been punishing those who take advantage of it (Shellenbarger, 1994b).

What these results seem to indicate is that an individual's use of policies will be interpreted in a way that is consonant with the prevailing organizational culture. If family-friendly policies are made available without establishing organizational norms regarding the legitimacy of addressing the relationship between work and family, they will, at best, be an empty effort, and, at worst, hurt women. Organizations are going to have to change both their structure (e.g., the definition of a work day) and their ways of looking at things (e.g., from general attitudes to notions about how work should be organized) in order to make the setting truly supportive of diversity (Rose, 1993; Shellenbarger, 1993a).

Aversive racism

Parallel issues serve as barriers to diversity initiatives more generally. Much of the discrimination felt by members of underrepresented groups is not the subject of formal complaints, and is almost impossible to address through formal mechanisms. Instead, what is often felt is a sort of subtle racism and sexism that is communicated through such things as eye contact, who is credited with "good ideas", how company celebrations are framed, where and when important decisions are made. This more subtle form of racism, termed aversive racism, is being increasingly discussed in the literature (Dovidio, 1993). Aversive racism involves underlying racially-biased attitudes and behaviors of people who claim that they are not

prejudiced. Parallel to this, subtle gender discrimination perpetuated by people who believe themself not sexist could be termed aversive sexism (e.g., Dalton, 1993). In these cases, individual and organizational policies and diversity initiatives may inhibit direct expressions of hostility, but leave underlying beliefs biased.

Research indicates that aversive racism works in some peculiar ways. First, it may not lead people to express more negative feelings or expectations of minority group members, but rather may lead them to express fewer positive reactions. That is, there may be little direct expression of negative sentiments, but white men continue to receive more positive evaluations when all else is considered equal (Dovidio, 1993). In addition, there is the observed difference between what people indicate as their values and what they are willing to do about them. For example, 76% of whites agree that AA programs that help blacks get ahead should be supported; however, 80% of whites oppose giving priority to a black worker over a white one with equal abilities (Dovidio, 1993). These more subtle forms of discriminatory behavior have serious consequences in the workplace as well as in society and require new strategies to effectively address and alleviate them.

The younger generation

Many would hope that a younger generation has grown up with more awareness of diversity and thus more tolerance. However, as discussed above, studies have revealed that people, even younger generations, prefer to work with others "like them." Over half of the workers surveyed in 1993 (in the first major national study since 1977) stated they prefer working with others of the same race, sex, and education level.[39] More startling is the revelation that, contrary to the expectation that younger workers would have

backgrounds equipping them to work with diverse peoples, workers under twenty-five showed no greater preference for diversity. Employees who had greater tolerance for working with people different from themselves were people who had been exposed to different cultures in their community or neighborhoods. Most people under twenty-five had not had such exposure (Shellenbarger, 1993b).

Thus, a clear challenge emerges: In order to create organizations that are truly supportive of diversity, all initiatives whether they be policy, training, and/or team-building, must be accompanied by changes in core organizational values.

Summary

Diversity in the workplace has not been fully achieved. This was shown above in terms of representation (labor force participation rates, pay inequities, occupational segregation, positions in the hierarchy), interactions between diverse groups (preference for homogeneous work groups, perceptions of bias and discrimination, harassment), and organizational culture.

Existing approaches to supporting diversity in the workplace have not worked and in many cases have resulted in new sets of problems or dilemmas. The EEO approach, although effective in some areas in increasing participation, has encountered a strong racial and gender backlash. Corporate efforts to increase sensitivity through in-house diversity programs have often aroused animosity rather than defusing it. Family-friendly policies offered by many organizations are often not widely used because it is perceived that women who utilize them are less serious employees.

Therefore, we need to begin to develop a new perspective on how to incorporate diverse groups successfully. In constructing a new and more workable approach, we need to draw from multiple disciplines (economics,

psychology, sociology, anthropology, business, and law). A multi-level analysis must be developed that includes attention to individual, work group, organization, and societal factors. In addition, we need to understand a variety of complex and relatively unanticipated problems which we have termed 'emerging dilemmas' (contradictions between intent and impact, resistance and backlash, and limited impact on organizational cultures).

Development of a broader new approach that addresses often conflicting problems requires that certain processes be encouraged and that particular substantive issues be addressed. The goal is to reduce institutional and attitudinal barriers to diverse groups working together and to empower individuals and groups within this more favorable environment.

TABLE 1

PROJECTED COMPOSITION OF NET CHANGE IN THE U.S. LABOR FORCE, 1990-2005
(in 000s)

Demographic Category*	Net Change in category in labor force	Category as % of total net change in labor force
By Gender		
Men	11,107	42.8%
Women	14,840	57.2%
Total	25,946	100.0%
By Race		
White, Non-Hispanic	12,002	46.3%
Black	4,107	15.8%
Hispanic	7,212	27.8%
Asian and other	2,627	10.1%
Total	25,946	100.0%
By Race and Gender		
White, Non-Hispanic		
Men	3,761	14.5%
Women	8,241	31.8%
Black		
Men	1,909	7.4%
Women	2,198	8.5%
Hispanic		
Men	4,146	16.0%
Women	3,066	11.8%
Asian and other		
Men	1,292	5.0%
Women	1,335	5.0%
Total	25,946	100.0%

SOURCE: Calculated from data in Fullerton, 1991 based on projections by the Office of Employment Projections, Bureau of Labor Statistics, as reported in Fullerton, 1991.

This data is not subdivided by native born and foreign born - both are included in all categories. Thus the table does not highlight the importance of immigrant workers. Martin (1991) estimates that foreign workers constitute 25% of the yearly growth of the labor force. This is based on his estimate that the stock of foreign workers has been increasing by 500,000 a year for the last few years, while the labor force has been growing at 2 million annually.

TABLE 2

COMPOSITION OF THE U.S. LABOR FORCE, 1990 and PROJECTED COMPOSITION 2005
(in 000s)

Demographic Category*	1990	2005
By Gender		
Men	54.7	52.6
Women	45.3	47.4
Total	100.0	100.0%
By Race		
White, Non-Hispanic	78.5	73.0
Black	10.7	11.6
Hispanic	7.7	11.1
Asian and other	3.1	4.3
Total	100.0	100.0%
By Race and Gender		
White, Non-Hispanic		
Men	43.1	38.2
Women	35.4	34.8
Black		
Men	5.3	5.7
Women	5.4	5.9
Hispanic		
Men	4.6	6.6
Women	3.1	4.6
Asian and other		
Men	1.7	2.2
Women	1.4	2.1
Total	100.0	100.0%

SOURCE: Calculated from data in Fullerton, 1991 based on projections by the Office of Employment Projections, Bureau of Labor Statistics, as reported in Fullerton, 1991.

* This data is not subdivided by native born and foreign born - both are included in all categories. Thus it does not highlight the importance of immigrant workers. Martin (1991) estimates that foreign workers constitute 10% of the U.S. labor force, including 10 million foreign-born legal workers, 0.5 million legal nonimmigrant workers, and 2 to 3 million irregular (illegal) workers. Because the number of illegals is hard to accurately determine, the estimates of the total foreign born in the U. S. labor force may vary.

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NOTES

1. The number of 'Net new entrants' are calculated as follows: 'net new entrants' equal 'entrants' (people who will be in the labor force on the future date but who were not on the earlier date specified) minus 'leavers' (people who will not be in the labor force on the future date but who were in it on the earlier date specified).

2. The proposed Non-Discrimination Act of 1994 would extend laws that ban discrimination based on race, religion, and national origin to include sexual orientation.

3. For good discussions of how the concept of diversity differs from Affirmative Action, see Thomas (1992) and Cox (1993).

4. For further information on immigrants in the U.S. economy see Meissner et al (1993), Meisenheimer (1992), Martin (1991), Special issue of TIME magazine (The New Face of America, 1993), "The Price of Open Arms" Business Week (June 21, 1993), and "The Immigrants" Business Week (July 13, 1992).

5. The labor force participation rate of a particular group (defined by any combination of variables such as age, gender, race or ethnicity, marital status, etc.) is the percentage of the total number of people in this category who are gainfully occupied (i.e., at work or defined as unemployed). For example, the LFPR of married women age 25-34 = (number of married women age 25-34 who are at work or defined as unemployed) divided by (the total number of married women age 25-34) times 100.

Note that to be categorized as unemployed in the U.S. one must not be working but have actively looked for employment in the last four weeks. This means that many 'discouraged workers'- people who would like to have a job, but who have become discouraged with the search and have not looked for work within the last four weeks - are not counted in unemployment statistics.

6. Women's LFPR has been rising 1960-1990 due to a combination of the following factors: increasing levels of education for women, lower fertility rates and higher average age at first birth, increases in the divorce rate, changes in cultural conventions regarding the acceptability of women working outside the home, women's changed expectations regarding the length of their time in the paid labor force, and the economic necessity of an additional income in the household. Men's LFPR has been falling due to: younger men staying in school longer, older men retiring earlier (Blau & Ferber, 1992). For further and more detailed information see Blau and Ferber (1992) and Goldin (1990).

7. For a thorough exploration of many possible explanations for Black men's declining position, see Moss and Tilly (1991a). See also Smith and Welch (1989).

8. Men's weekly wages fell from $397 in 1980 to $373 (in 1982 dollars); women's weekly wages rose from $242.67 to $265 during the same period (Reitman, 1994).

9. The wage gap between the genders varies by occupation. For further information see Rigdon (1993) and Mahar (1993).

10. Similarly, in 1990 the median income of women with a college diploma (and no further years of education) working year-round, full-time was $28,017. This was only $1364 more than the median for men with only a high school diploma, and was 71.4 percent of the median for men with a comparable education ($39,238).

11. More specifically, Black women made 55.1% of Black Males' earnings in 1955. This rose to 86% in 1990. Similarly, Black women earned 51.4% of white women's earnings in 1955, rising to 88.9% in 1990. Black males earned 60.9% of what white males made in 1955. This increased to 71.4% in 1990. To summarize, the gaps between white males and others were as follows in 1990: White women made 69% of white males' earnings; Black males made 71.4% of white males; and Black women 61.3% of white males (Blau & Ferber, 1992). In addition Hispanic women made 55% of white males' earnings, Asia/Pacific Islanders women 71% (Women's Research Network News, 1993).

12. There has also been a widening pay gap between high school dropouts and college graduates. Average weekly pay of full-time college educated workers rose 7.7% from 1979 to 1987 whereas that of people with 8 to 11 years of education fell 6.6% (data were adjusted for inflation, changes in experience, and gender composition) (Katz & Murphy, 1992). This suggests that classes or groups of people who typically have higher dropout rates will be increasingly disadvantaged.

13. For further information on the occupational distribution of women by race (white, African American, and Latina), see Amott (1993). Meisenheimer (1992) provides occupational profiles of the foreign-born men and women.

14. Manager is a category that is defined broadly. It includes CEOs as well as managers of small local service firms.

15. The term was coined by Catherine White Berheide as a result of her research on women trapped in low-wage jobs in state and local government that have little opportunity for advancement.

16. They gained in white-collar jobs (managerial, professional, and technical). However, this was from an extremely low base (as mentioned above, only 5.2% of all managers were minorities of any race in 1993.)

17. The overall effect, however, is complicated by the fact that cohesiveness is not necessarily correlated with productivity (Cox, 1993). Excessive cohesiveness can lead to "groupthink" (Janis, 1982) where preoccupation with maintaining close relationships stifles the expression of differing opinions and thereby leads to problematic group problem solving.

18. Again, such figures need to be interpreted with caution since we do not know if the increase reflects increasing harassment or increases in reporting (particularly given that the widely covered Hill-Thomas controversy occurred in the interim).

19. In a recent celebrated case, a woman, whose boss admitted to the blatant acts of sexual harassment she alleged in her complaint, lost her case in front of a panel selected by the industry (Jacobs, 1994a).

20. One study found that rates of harassment were related more to the gender ratio of the immediate work group than to the total number of men encountered in the workplace or to the type of occupation (pink vs. blue collar) (Bakker dissertation, 1989, dissertation cited in Fitzgerald et al., 1988)

21.In contrast, when women and people of color are moving into increasingly diverse groups, they are often increasing their status, and thus the distress they experience is usually more related to being unwelcome and marginalized and having hoped for opportunities blocked.

22. Good summaries of the main features of the approach can be found in Blau & Ferber (1992), Ch. 6. or a text in Labor Economics such as Kaufman (1994), Ch. 7.

23. In addition, it includes investments in the individual's health and well-being, job search, and geographic mobility.

24. Research has demonstrated that educational institutions at all levels have been unequal in their treatment of men, women, and minorities. This resulted in the passage in 1972 of Title IX of the Educational Amendments to the Civil Rights Act of 1964.

25. In addition, when studies designed to evaluate the explanatory power of this model control for education and experience or training, a substantial portion of the wage gap remains unexplained (Blau & Ferber, 1992).

26. For a more complete overview and explanation of these forms of discrimination see Blau and Ferber (1992).

27. It is also manifested in the double standard where women are criticized for behaviors considered acceptable (even desirable) for men. Women and minorities are often under more intense scrutiny regarding their actions and behaviors than white men, whose modes of operations are considered the norm.

28.For example, low enrollments of women in sciences or engineering have been found to be due to perceptions that it is hard for women to enter and be taken seriously in such occupations.

29. Ogbu's work is primarily focused on the implications of such differences for academic achievement. The concepts, however, also seem quite useful for understanding relationships in work settings as well.

30. These laws apply to "applicants to and employees of most private employers, state and local governments, educational institutions, employment agencies and labor organizations." (Equal Employment Opportunity is the Law" flyer 1993.) Not included in the following list are Executive Orders (11246 in 1965 and 11375 in 1967) which bar government contractors from discrimination and require that an affirmative action plan be submitted by

every contractor with more than $50,000 in business with the federal government.

31. It is the oldest federal legislation regarding discrimination. Equal work is defined as work requiring equal skill, effort, and responsibility and performed under similar working conditions.

32. This act makes it unlawful "to refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his (sic) compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin." It has since been extended to other groups. For example, it was extended to those aged 40+ by the Age Discrimination in Employment Act of 1967. A 1986 Supreme Court decision extended it to sexual harassment (if it is unwelcome and severe enough to alter the conditions of the victim's work environment). The proposed Non-Discrimination Act of 1994 would extend laws that ban discrimination based on race, religion, and national origin to include sexual orientation.

33. The obese are also included as a protected category. A statement by the Equal Employment Opportunity Commission in 1993 stipulates that obesity is a protected category under the federal disabilities law (Lambert, 1993).

34. It revitalized affirmative action and EEO laws because it placed the burden of proven that a policy having discriminatory impact was necessary back on the employers. During the 1980s there had been an erosion of AA because employees increasingly had to prove that employers' actions were discriminatory. Further, women could now sue for compensatory and punitive damages; formerly only minorities could do this. It also established Glass Ceiling Commission (Title II of Act) to determine what may be needed to eliminate employment barriers to the upward mobility of women and minorities.

35. However, in addition to the reluctance of many to file formal complaints for the reasons cited earlier in the paper, there have been problems with enforcement by Equal Employment Opportunity Commission (EEOC), the federal agency established to enforce the EEO laws.

36. The difficult issue regarding 'who's rights' is also illustrated in a recent language case. A recent ruling in a federal court, an English-speaking employee can be considered discriminated against if other co-workers consistently use a language unknown to the employee (Woo & Geyelin, 1993).

37. Anecdotally, even more bizarre, a corporation sued six women who were complaining about sexual harassment to have the court block any further action by the women (Pollock, 1994).

38. Survey of 14,000 employees by Hewitt Associates, an Illinois firm that does consulting on issues of employee-benefits (Williams, 1994).

39. The study, "National Study of the Changing Workforce", was a survey of 2958 wage and salaried workers conducted by the Families and Work Institute.